

Connecticut Office of Policy and Management
December 2013





EXECUTIVE SUMMARY

In the spring of 2013, Connecticut Governor Daniel P. Malloy signed Executive Order Number 35 which directed a study to be implemented that would research the feasibility of transferring Connecticut's Birth to Three Program from the Department of Developmental Services (DDS) to the newly formed Office of Early Childhood (OEC) by July 1, 2014. The charge was to evaluate the potential transfer's timeline, the structure and mechanics of relevant state agencies and the Birth to Three program, the capacity for different agencies to capture Medicaid revenue if they were to house the Birth to Three program, and various other components that could affect the feasibility of the program's transfer.

The newly formed Office of Early Childhood was created in order to establish a coordinated system of early care and education and child development. Connecticut's formation of the OEC reflects a national trend to consolidate early childhood programs to promote continuity and efficiency of care as a child's family can find all programs relevant to the child's age in a single department. This union is a step toward providing one vision for all programs that serve the birth to five population, with the goal to promote better outcomes for children, improve communications, provide data sharing, assist in the transition for children, and provide professional development to the entire group of professionals who touch the lives of this population. Research shows that the early years are critical to later success in school and in life. Young children need access to health care, strong families, and positive early learning experiences from birth to five and beyond.

To conduct the feasibility analysis, PCG took a multi-step approach. In the first phase, the project team conducted best practices research and, in collaboration with the feasibility project sponsors, identified three states for peer state reviews. Each state was identified due to its past creation of a unified early childhood office. In phase two, the project team worked closely with the feasibility study sponsors to identify and contact key stakeholders in the state's Birth to Three program. In phase three of the project, the team conducted a thorough analysis of the peer state findings, Connecticut interviews focus groups, and Birth to Three data to formulate the feasibility study recommendations.

Summary of Recommendations

The feasibility study resulted in the following principal recommendations to transfer the CT Birth to Three program to the OEC by October 1, 2014:

1. *Contracts* - There are currently 42 contracts. These contracts include 40 early intervention contracted programs, United Way, and Summit Technology. In order to ensure that all contracted services for Birth to Three transitions smoothly, each of these contracts would require an amendment.

➤ **Estimated Timeframe: 60 to 90 days**

MOU/MOAs - There are 11 MOU/MOAs that are current with the Birth to Three program. Of these 11, three of the services outlined have been completed or will be completed by June 2014. Three MOU/MOAs will require new agreements between OEC and SDE. The remaining five agreements would require an amended MOU/MOA between OEC and the other entity.

➤ **Estimated Timeframe: 90 to 180 days**

2. *IT Infrastructure* - The Birth to Three program currently uses the web-based data system, Service Provider Individual Data Entry Resources (SPIDER) to facilitate the tracking of Individualized

Family Service Plans (IFSPs) and associated service delivery and billing of Medicaid and commercial insurance for Birth to Three services. SPIDER is a custom-built system that is owned by the State of Connecticut, so it can reside in any department within the state and would still be accessible to all users without the loss of functionality. Three areas identified to be addressed with the move include the following: servers, Global Security Module, and the help desk.

- Servers – Currently, the Birth to Three data resides on a MS-SQL 2008 R2 server provided by DDS. DDS currently supports the cost to maintain the system on the server. This cost is approximately \$1,000 per month. To address this issue for the short term, an MOU can be produced between DDS and OEC to have DDS continue to host the data system on the current server until such time as a smooth transition can be made. The SDE is currently in the process of purchasing servers for the OEC and these would be housed in the DAS environment. There would be little or no additional cost to what is already being planned for the OEC, regardless of whether Birth to Three moves or does not.

➤ **Estimated Timeframe: 60 to 270 days**

- Global Security Module - This customized secure sign-on module was developed in-house at DDS and is the portal by which the SPIDER software is accessed through the DDS application portal that signs on to the system. The module code would need to be altered if SPIDER were moved to another server. There is also another web-based application on the cusp of being deployed called Global Reporting, a consultant report writing tool developed for DDS, also to be accessed via the DDS application portal. In order for the current single sign-on module to continue to be used, an MOU between DDS and OEC is needed.

➤ **Estimated Timeframe: 90 to 120 days**

- Birth to Three IT Help Desk - Helpdesk support is currently provided by DDS to Birth to Three. SDE currently provides a helpdesk for the support of its end users. The SDE helpdesk can be utilized to receive calls related to the Birth to Three program and route them to the appropriate Birth to Three IT staff.

➤ **Estimated Timeframe: 0 to 30 days**

3. *Deficit Coverage* - Currently, when the Birth to Three program experiences a shortfall, DDS provides the funds to cover that deficit. In fiscal year 2013, the shortfall was \$495,847. In the two fiscal years prior to that, the Birth to Three program spent within its allocated appropriation. The appropriation for the Birth to Three program decreased each year since fiscal year 2012. The amount of appropriation decrease between 2012 and 2013 was \$1,425,719. For this time period, commercial insurance revenue only increased by \$247,479, therefore this decrease in appropriation accounts for the budget shortfall. Services were provided to approximately the same number of children, as there was an increase of 10 children served from the previous year. PCG recommends that the budget appropriated to the OEC for the Birth to Three program be reflective of the past history of expenditures of this program.

➤ **Estimated Timeframe: 90 to 180 days**

4. *Physical Location* - OEC has a goal to house all of its programs within the same physical location to promote collaboration among all early childhood programs in the state. This goal cannot be realized until 2016, as the current state facilities plan is set to move SDE and OEC into a single newly renovated building. However, programs being housed in separate locations will not be a detriment to the success of the program and OEC's vision. All programs will have the same vision and guiding principles to better serve the early childhood population, regardless of where they reside. A new MOU with DDS should be written to continue to operate the program in DDS until office space is available.

➤ **Estimated Timeframe: MOU – 90 to 180 days, Renovation - Current to 2016**

5. *Office Equipment* - DDS and Birth to Three staff members indicated that some office equipment was purchased through DDS with state funds. This includes desktop computers, laptops, scanners, fax machines, copy machines, and furniture. PCG recommends the equipment purchased for the Birth to Three staff be transferred to the OEC for continued use, as it appears these materials were purchased with state dollars. However, if transfer of these materials is not feasible, then OEC would need to develop a clear plan to procure.

➤ **Estimated Timeframe: 60 to 90 days**

6. *Medicaid* – Three areas identified to be addressed with the move regarding Medicaid include the following: capturing Medicaid billing, Medicaid reporting requirements, and the Medicaid Provider Number.

- Capturing Medicaid billing - DAS serves as the billing agent for Medicaid for the Birth to Three program, while DSS serves as the State of Connecticut's single state collection agency for Medicaid funds. DSS also performs the function of setting rates for the early intervention services billed to Medicaid. The current rates that are billed for these services would remain the same regardless of whether the Birth to Three program stays in DDS or moves to the OEC, so this is not a factor in this study. DAS currently has access to the Birth to Three data system, SPIDER, in order to capture the needed information to process Medicaid claims to CMS. PCG recommends that this process continue.

➤ **Estimated Timeframe: Ongoing**

- Medicaid reporting requirements - PCG understands that an annual cost report and certification of funds are required to support rate setting activities for the Birth to Three program. PCG has not been able to ascertain from DDS, DSS, nor Birth to Three staff whether this process takes place annually. PCG recommends that when the Birth to Three program moves to the OEC, a staff person be identified to perform this function annually.

➤ **Estimated Timeframe: Annually**

- Medicaid Provider Number - In order to bill for Medicaid services, a department must obtain a Medicaid Provider Number. Currently, the Medicaid Provider Number used for claiming purposes belongs to DDS. PCG recommends that OEC follow the enrollment process to obtain a Medicaid Provider Number assigned to it.

➤ **Estimated Timeframe: 90 to 180 days**

7. *Staffing* - In order for the Birth to Three program to continue in the same capacity, staff and salaries must be transferred to the OEC. The Birth to Three program staff has a mixed funding structure; of the 16 program staff members, eight staff salaries are DDS state-funded, seven are fully funded by Federal Part C, and one is partially funded by DDS state funds and partially funded by Federal Part C. In order for the OEC to fund the 7.5 FTE Birth to Three staff salaries that are currently funded through DDS, PCG recommends that funding be shifted to the OEC budget to cover these positions. The current amount is \$681,446, which includes longevity and salary increases (but not fringe) for FY14.

➤ **Estimated Timeframe: 90 to 180 days**

8. *Federal Application* - The U.S. Office of Special Education Programs (OSEP) requires notification of a lead agency change for the Part C program. In order for this to occur mid-year, the Governor must sign an executive communication alerting OSEP of the move. Activities such as journal voucher or mid-budget year adjustments must take place to move the funds from DDS to SDE/OEC internally within the state. In the following year, the federal application would be submitted by OEC to change the lead agency.

➤ **Estimated Timeframe: Executive communication –30 to 90 days, Federal Application process – 180 days**

9. *Other Recommendations* - Regardless of which department the Birth to Three program resides in, there are three other issues that PCG identified as areas to address: the Medicaid billing structure, Medicaid billing, and communication.

- *Medicaid Billing Structure* - Currently, the Birth to Three program is claimed in a bundled rate. DSS is in the process of writing a new state plan amendment which would require the bundled rate to change to billing in 15 minute increments. Once the billing structure moves to 15 minute increments, the Public Assistance cost allocation plan (PACap) would need to be recalculated. DDS currently has a PACap. If SDE chooses to build its own PACap, a contractor would be required to assist with this. PCG recommends that the Birth to Three program access the DDS PACap through an MOU. This would require an amendment to the DDS PACap. PCG also recommends that the Birth to Three IT staff be made aware of the potential change from bundled rates to 15 minute increments.

➤ **Estimated Timeframe: 60 to 90 days**

- *Medicaid Billing* - PCG understands that if a child in the Birth to Three program has both commercial insurance and Medicaid, the commercial insurance is accessed first. Unfortunately, the exact number of children that have both commercial insurance and Medicaid could not be identified because the data system does not possess historical information. It is estimated that 310 children who are currently eligible have both “Consent to bill Medicaid” and “Consent to bill insurance” selected in the SPIDER data system. In order to maximize Medicaid revenue and comply with the federal law that Medicaid be the payer of last resort, PCG recommends that when a child has both, commercial insurance must be billed first and Medicaid billed as a secondary payor.



➤ **Estimated Timeframe: 90 to 270 days**

- *Communication* - Many DDS and Birth to Three program staff members, state agencies, providers, parents, and advocates expressed a lack of understanding about the goals and the strategic plan of the OEC. PCG understands that in the late spring of 2012, information sessions took place between the Early Childhood Planning Team and Birth to Three stakeholders. PCG recommends that a comprehensive communication plan be written and shared with all stakeholders and implemented promptly.

➤ **Estimated Timeframe: 60 to 90 days**